

SAMKO TIMBER LIMITED

Company Registration Number: 200517815M

Unaudited First Quarter Financial Statements and Dividend Announcement for the Period Ended 31 March 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FIRST QUARTER RESULTS

- 1(a) Consolidated statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	2016	2015	Change
	<i>Rp'million</i>	<i>Rp'million</i>	%
Revenue	883,298	805,533	10
Cost of sales	(808,651)	(690,282)	17
Gross profit	74,647	115,251	(35)
Other items of income			
Interest income	145	122	19
Other income	11,560	13	n.m
Other items of expenses			
Selling expenses	(41,220)	(34,216)	20
General & administrative expenses	(84,126)	(75,045)	12
Finance expenses	(25,462)	(19,903)	28
Other expenses	(6,150)	(28,966)	(79)
Loss before tax	(70,606)	(42,744)	65
Taxation	3,496	(6,334)	n.m
Net loss for the period	(67,110)	(49,078)	37
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Net actuarial loss on post-employment benefits	(1,413)	(1,352)	5
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation gain (loss)	6,738	(3,721)	n.m
Total comprehensive income for the period	(61,785)	(54,151)	14
Net loss attributable to:			
Owners of the Company	(66,330)	(49,453)	34
Non-controlling interests	(780)	375	n.m
	(67,110)	(49,078)	37
Total comprehensive income attributable to:			
Owners of the Company	(61,007)	(54,517)	12
Non-controlling interests	(778)	366	n.m
	(61,785)	(54,151)	14

n.m : not meaningful

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The following items have been included in arriving at loss before tax:

	Group		
	2016	2015	Change
	<i>Rp'million</i>	<i>Rp'million</i>	%
Depreciation of property, plant and equipment	(28,195)	(32,933)	(14)
Interest expense	(23,831)	(18,678)	28
Post employment benefits expenses	(13,489)	(9,871)	37
Workers voluntarily separation expenses *)	(4,074)	-	n.m
Amortisation of land use rights	(996)	(957)	4
Allowance for doubtful receivables	(41)	(358)	(89)
Amortisation of intangible assets	-	(327)	(100)
Interest income	145	122	19
Gain on disposal of property, plant and equipment	146	13	n.m
Gain (loss) on foreign exchange, net	8,963	(26,197)	n.m

*) Included in "Other expenses"

n.m : not meaningful

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
Non-current assets				
Property, plant and equipment	642,303	662,542	127	149
Investment in subsidiary companies	-	-	126,076	126,076
Investment in an associate ⁽¹⁾	-	-	-	-
Biological assets	55,804	55,603	-	-
Land use rights	65,878	66,874	-	-
Deferred tax assets	73,578	65,316	-	-
Other non-current assets	44,708	31,986	9	9
	882,271	882,321	126,212	126,234
Current assets				
Inventories	574,060	567,975	-	-
Trade and other receivables	222,499	238,709	34,550	37,620
Prepaid operating expenses	62,396	74,849	779	447
Advances to suppliers	33,955	30,880	-	-
Restricted deposits	7,471	7,525	-	-
Cash and cash equivalents	59,317	91,075	1,958	2,411
	959,698	1,011,013	37,287	40,478
Current liabilities				
Trade and other payables	353,244	339,414	7,981	7,540
Other liabilities	141,576	125,719	3,001	3,636
Advances from customers	20,971	27,497	-	723
Provision for taxation	11,256	11,401	-	-
Loans and borrowings	551,189	536,239	-	-
	1,078,236	1,040,270	10,982	11,899
Net current (liabilities) assets	(118,538)	(29,257)	26,305	28,579
Non-current liabilities				
Loans and borrowings	422,269	456,644	-	-
Post-employment benefits	247,356	240,275	-	-
Deferred tax liabilities	317	569	-	-
	669,942	697,488	-	-
Net assets	93,791	155,576	152,517	154,813
Equity attributable to owners of the Company				
Share capital	2,188,645	2,188,645	2,188,645	2,188,645
Accumulated losses	(2,438,476)	(2,370,739)	(2,036,128)	(2,033,832)
Other reserves	333,553	326,823	-	-
	83,722	144,729	152,517	154,813
Non-controlling interests	10,069	10,847	-	-
	93,791	155,576	152,517	154,813

Notes:

(1) Represents the Group's 24.6% investment in PT SLJ Global Tbk. Full provision of impairment had been made for this investment previously.

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(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 Mar 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
551,189	-	536,239	-

Amount repayable after one year

As at 31 Mar 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>	<i>Rp'million</i>
422,269	-	456,644	-

Details of collaterals

As at 31 March 2016, our bank borrowings are secured by the following:

- (1) Land use rights, buildings, machinery and equipment, inventories, account receivables, collection and restricted deposits of a subsidiary, and corporate guarantees from the Company and certain subsidiaries of the Company. The loan facilities from our major lenders also include a clause demanding mandatory repayment of all the loan facilities if (i) there is any reduction in direct and/or indirect shareholding interests of PT Sumber Graha Sejahtera ("PT SGS") by Sampoerna Strategic Group, or (ii) the representatives appointed by Sampoerna Strategic Group are no longer present in PT SGS; or (iii) Mr Putera Sampoerna and his family is directly or indirectly no longer the controlling ultimate beneficiary owner of PT SGS and the Company. All other assets of the subsidiaries are on negative pledge to the financial institution and some restriction on dividend payment is imposed; and
- (2) All assets acquired under finance leases are secured against the assets under lease.

A subsidiary of the Company has not met certain financial covenant ratios set out in the loan agreement with one of its lenders. To-date, the subsidiary has not defaulted on any loan repayment, interest payment and utilization of the loan facilities is as normal. As at the date of this announcement, the lender has granted the subsidiary a temporary waiver to those covenants. The waiver is given, on the condition that dividends cannot be declared so long the breach is continuing. The lender continues to monitor the performance of the subsidiary and reserves its rights to vary the terms.

Subsequent to 31 March 2016, the Group secured a new Rp60 billion bank loan facility from a new lender. The existing lenders have given their consent for the Group to use this bank loan facility on condition if there is no improvement in the results by 3rd quarter 2016, the subsidiary will procure an increase of its equity capital.

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1(c) Consolidated statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	2016	2015
	<i>Rp'million</i>	<i>Rp'million</i>
Cash flows from operating activities		
Loss before tax	(70,606)	(42,744)
Adjustments:		
Depreciation of property, plant and equipment	28,195	32,933
Interest expense	23,831	18,678
Post-employment benefits expense	13,489	9,871
Amortisation of land use rights	996	957
Allowance for doubtful receivables	41	358
Amortisation of intangible assets	-	327
Interest income	(145)	(122)
Gain on disposal of property, plant and equipment	(146)	(13)
Foreign exchange (gain) loss	(14,112)	20,140
Operating cash flow before changes in working capital	(18,457)	40,385
Changes in working capital :		
Inventories	(6,085)	(97,355)
Trade and other receivables	16,169	(4,851)
Prepaid operating expenses	(515)	(13,240)
Advances to suppliers	(3,075)	2,381
Trade and other payable	13,830	69,496
Other liabilities	7,691	(14,685)
Advance from customers	(6,526)	4,223
Other non-current assets	(89)	(132)
Cash flow provided by (used in) operations	2,943	(13,778)
Income tax paid, net of refund	(3,205)	(5,422)
Net cash flows used in operating activities	(262)	(19,200)

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	Group	
	2016	2015
	<i>Rp'million</i>	<i>Rp'million</i>
Cash flows from investing activities		
Purchase of property, plant and equipment (Note (i))	(9,415)	(36,392)
Additions of land use rights	-	(1,574)
Additions of biological assets	(201)	(1,338)
Proceeds from disposal of property, plant and equipment	146	13
Interest received	145	122
	<u>(9,325)</u>	<u>(39,169)</u>
Net cash flows used in investing activities		
Cash flows from financing activities		
Drawdown of loans and borrowings	497,885	563,725
Repayment of loans and borrowings	(498,589)	(535,160)
Interest paid	(20,918)	(16,132)
Withdrawal of restricted deposits	-	359
	<u>(21,622)</u>	<u>12,792</u>
Net cash flows (used in) provided by financing activities		
Net decrease in cash and cash equivalents	(31,209)	(45,577)
Effect of exchange rate changes on cash and cash equivalent	(549)	1,649
Cash and cash equivalents at beginning of period	<u>91,075</u>	<u>107,073</u>
Cash and cash equivalents at end of period	<u><u>59,317</u></u>	<u><u>63,145</u></u>

Notes:

(i) Purchase of property, plant and equipment

Property, plant and equipment were purchased by:

- Cash payment	9,415	36,392
- Reclassification of advances made for the purpose of property, plant and equipment	(1,531)	13,106
- Finance lease	-	560
	<u>7,884</u>	<u>50,058</u>

The acquisitions above were made in the ordinary course of business and they were mainly machinery and equipment for use in the operations.

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Accumulated losses	Restructuring reserves	Foreign currency translation reserve	Total		
	Rp'million	Rp'million	Rp'million	Rp million	Rp'million		
Balance at 1 Jan 2016	2,188,645	(2,370,739)	309,050	17,773	144,729	10,847	155,576
Loss for the period	-	(66,330)	-	-	(66,330)	(780)	(67,110)
Other comprehensive income for the period:							
- Net actuarial gain on post-employment benefits	-	(1,407)	-	-	(1,407)	(6)	(1,413)
- Foreign currency translation gain	-	-	-	6,730	6,730	8	6,738
	-	(1,407)	-	6,730	5,323	2	5,325
Total comprehensive income for the period	-	(67,737)	-	6,730	(61,007)	(778)	(61,785)
Balance at 31 Mar 2016	2,188,645	(2,438,476)	309,050	24,503	83,722	10,069	93,791
Balance at 1 Jan 2015	2,188,645	(1,896,810)	309,050	3,198	604,083	9,418	613,501
(Loss) profit for the period	-	(49,453)	-	-	(49,453)	375	(49,078)
Other comprehensive income for the period:							
- Net actuarial loss on post-employment benefits	-	(1,345)	-	-	(1,345)	(7)	(1,352)
- Foreign currency translation loss	-	-	-	(3,719)	(3,719)	(2)	(3,721)
	-	(1,345)	-	(3,719)	(5,064)	(9)	(5,073)
Total comprehensive income for the period	-	(50,798)	-	(3,719)	(54,517)	366	(54,151)
Balance at 31 Mar 2015	2,188,645	(1,947,608)	309,050	(521)	549,566	9,784	559,350

Company

	Attributable to owners of the Company		
	Share capital	Accumulated losses	Total
	Rp'million	Rp'million	Rp'million
Balance at 1 Jan 2016	2,188,645	(2,033,832)	154,813
Total comprehensive income for the period	-	(2,296)	(2,296)
Balance at 31 Mar 2016	2,188,645	(2,036,128)	152,517
Balance at 1 Jan 2015	2,188,645	(1,533,331)	655,314
Total comprehensive income for the period	-	(448)	(448)
Balance at 31 Mar 2015	2,188,645	(1,533,779)	654,866

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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's shares during the period ended 31 March 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<u>Number of shares</u>
At 31 March 2016 and 2015	1,401,445,464

There were no shares held as treasury shares as at 31 March 2016 and 2015.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable, as there were no shares held as treasury shares as at 31 March 2016 and 2015.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditor.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the new and revised accounting standards which came into effect for the financial year beginning 1 January 2016 and has applied the same accounting policies and methods of computation as those of the previous financial year ended 31 December 2015. The adoption of the new and revised accounting standards has no material impact on the financial statements of the Group and the Company for the period ended 31 March 2016.

Consistent with the prior year's accounting policy, the Group appraises the fair value of its biological assets only at the end of the financial year.

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5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to point 4.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	2016	2015
Weighted average number of ordinary shares for basic earnings per share computation	1,401,445,464	1,401,445,464
Weighted average number of ordinary shares for diluted earnings per share computation	1,401,445,464	1,401,445,464
	Rp (full amount)	Rp (full amount)
Earnings per share attributable to owners of the Company		
Basic and diluted	(47)	(35)

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) **current financial period reported on; and**
 (b) **immediately preceding financial year.**

	Group		Company	
	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
Net assets for the period attributable to owners of the Company used in computation of net asset value per share (Rp'million)	83,722	144,729	152,517	154,813
Number of ordinary shares at the end of the period	1,401,445,464	1,401,445,464	1,401,445,464	1,401,445,464
Net asset value per ordinary share (Rp full amount)	60	103	109	110

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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors

Our Group reported a net loss of Rp67 billion in 1Q 2016 as compared to Rp49 billion in 1Q 2015. The losses came mainly from lower gross profit attained – the Group incurred higher production costs and recorded a lower selling prices in 1Q 2016. Our sales revenue, however, improved compared to those in 1Q 2015.

Revenue

	Group		
	2016	2015	Change
	<i>Rp'million</i>	<i>Rp'million</i>	%
Domestic sales	600,271	522,213	15
Export sales	283,027	283,320	(0)
Total	883,298	805,533	10

Our domestic sales increased by 15% to Rp600 billion in 1Q 2016. The increase was mainly due to improvement in the sales volume by 20%. Our export sales also did well, it registered an increase of 6% in the sales volume.

In 1Q 2016, owing to weaker economy, our average pricing for both domestic and export products decreased by 2% and 5% respectively.

Gross profit

Despite higher sales, our gross profit decreased by 35% in 1Q 2016. This is attributable mainly to lower selling prices and higher production costs. Production costs have increased owing mainly to increase in the log prices and other direct material costs, increase in labour wages and other overheads costs such as spare parts and other supporting materials.

Other Income

During the period, the Group recorded an exchange gain of Rp9 billion. The weakening of US dollar has resulted in mainly unrealised foreign exchange gain from translation of our US dollar denominated loans.

Selling expenses

The increase in the selling expenses came mainly from the increase in the freight costs, due to increase in the export activities. Freight costs increased by Rp8 billion compared to 1Q 2015.

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General and administration (“G&A”) expenses

Our G&A expenses have increased over that of previous period by approximately 12%. This was due mainly to increase in staff related costs and higher provision for pension costs by Rp 10 billion compared to 1Q 2015.

Finance Expenses

Our finance expenses relate mainly to interest expense. The increase was mainly due to drawdown of additional loans for working capital.

Other expenses

Included in other expenses for 1Q 2016 was workers voluntarily separation expenses of Rp4 billion while other expenses in 2015 came mainly from foreign exchange loss of Rp26 billion. In 1Q 2016, the Group began its cost cutting exercise.

Taxation

Our tax expenses comprise the following:

	Group		
	2016	2015	Change
	Rp'million	Rp'million	%
Current income tax	(4,926)	(10,272)	(52)
Deferred income tax	8,422	4,098	106
Under provision of prior periods taxes	-	(160)	(100)
Total	3,496	(6,334)	n.m

Indonesia adopts individual company income tax system.

Our effective tax rate was not aligned with statutory tax rate due mainly to certain expenses not deductible for tax purposes and losses of certain subsidiaries not recognized as deferred tax assets due to the uncertainty of its recovery.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Financial Position

The Group's property, plant and equipment decreased by Rp20 billion. This was due mainly to depreciation charges incurred during the period more than offset the acquisition of new assets amounted to Rp8 billion.

Deferred tax assets increased by Rp8 billion. This came mainly from provision of deferred tax assets from certain loss making subsidiaries.

Other non-current assets increased by Rp13 billion. This was mainly due to increase in estimated tax paid.

In 1Q 2016, our Group's current assets have decreased by Rp51 billion to Rp960 billion.

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The decrease was due mainly to:

- 1) lower trade receivables. This came mainly from lower domestic trade receivables;
- 2) decrease in VAT receivables and prepayment of corporate income tax. The decrease in VAT receivables was mainly due to lower spending on capital expenditure and timing differences in the recovery of the VAT receivables. Prepayment of corporate income tax reduced because of lower taxable income in certain subsidiaries;
- 3) lower cash and bank balances – see explanation in cash flow.

the decrease in the above has more than offset the followings:

- 1) higher inventories value, inventories increased by Rp6 billion;
- 2) higher advances to suppliers for logs and veneer purchases. Total advances increased by Rp3 billion.

As at 31 March 2016, our Group's current liabilities have increased by Rp38 billion to Rp1,078 billion. This was contributed mainly by the:

- 1) increase in the trade and other payables of Rp14 billion. This follows the changes in the normal business operating conditions;
- 2) increase in the other liabilities due mainly to the increase in accrual of salaries and related benefits and pension costs and increase in freight charges. This is partially offsetted by decrease in VAT payables as a result of lower domestic sales in 4Q 2015;
- 3) increase in the short-term borrowings as well as long-term borrowings due within 12 months totaling Rp15 billion;
- 4) offsetted by the decrease in advance from export customers amounted to Rp7 billion.

For the same period ended, the non-current liabilities have decreased by Rp28 billion. This was mainly due to decrease in loans and borrowings – mainly due to foreign exchange translation gain effect. This offset by additional provision for post-employment benefits made during the period of Rp7 billion.

Statement of Cash Flow

During the period, the Group incurred cash outflow of Rp0.1 billion, Rp9 billion and Rp22 billion from operating, investing and financing activities, respectively. Net cash decreased by Rp31 billion.

Our cash used in operations was lower than the previous period. This attributable mainly due to better debtors and inventories turnover as compared to 1Q 2015. Our cash flow from operations, however, was affected by lower gross profit attained.

Our cash used in the investing activities were mainly for acquisitions of property, plant and equipment.

Our cash flow in the financing activities relates mainly to net repayment of loans interests. The repayments of bank borrowings and its interests were in accordance with the repayments schedule.

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9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

- 1) The Group has US dollar borrowings, where the risk of foreign exchange fluctuation may materially affect the Group's results (positively or negatively depending on, *inter alia*, the direction of the fluctuation). Although the risk may be mitigated by our increasing US dollar export sales (thus providing the natural hedging to the foreign currency fluctuation exposure), we illustrate below the sensitivity impact of our US dollar borrowings to our net loss arising from the possible change in the US exchange rate, assuming all other variables are held constant with tax rate of 25% in Indonesia:

Indonesia Rupiah to US Dollar exchange rates	(Weakened) / strengthened	Loss after tax for the period Rp67 billion (Increase)/ decrease
<i>Rp'full amount</i>	<i>%</i>	<i>Rp'million</i>
14,272	(7.5%)	(30,207)
13,940	(5.0%)	(20,138)
13,608	(2.5%)	(10,069)
12,944	2.5%	10,069
12,612	5.0%	20,138
12,280	7.5%	30,207

Exchange rate:	<u>Rp/US\$1</u>
- 4 May 2016	Rp13,246
- 31 March 2016	Rp13,276
- 31 December 2015	Rp13,795
- 31 March 2015	Rp13,084

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- 2) We intensified our costs cutting in 1Q 2016 and this process is continuing. This will have an adverse impact to our results in the near future as significant one-off expenses will be incurred. While we believe we will benefit from this in the long term, we remain cautious of the inflationary costs pressure. We will take further actions to mitigate the costs pressure and strive to remain competitive. The current tough business environment will affect our liquidity position. We are monitoring it closely and will exercise prudent cash management and consider raising additional funding if necessary.
- 3) Slow down in the Indonesian economy may affect the demand for our products locally. We expect, however, government and private spending on the infrastructure projects in Indonesia to spur the local economy and hence cushion the lower demand. Our export sales may be adversely affected due to weak global economy and depreciation of currencies in certain export markets. We will strive to diversify our markets to reduce such risks.

11. Dividend.

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend will be declared in the current period being reviewed.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend for financial period ended 31 March 2016 has been declared.

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13. Interested person transactions.

The Company does not have a shareholders' mandate under Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited. The following is the aggregate value of all transactions with interested persons for the first quarter ended 31 March 2016:

<i>Name of interested person</i>	<i>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</i>	<i>Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</i>
	<i>Rp'million</i>	<i>Rp'million</i>
PT Pelayaran Nelly Dwi Putri <i>Freight expenses</i>	1,750	-
PT Sampoerna Land <i>Office rental</i>	1,346	-
PT Wahana Sekar Agro <i>Cooperation for cultivation of trees</i>	192	-

Certain Sunarko family members are substantial shareholders of PT Pelayaran Nelly Dwi Putri Tbk (a listed company in Indonesia). They are also substantial shareholders and directors of the Company.

PT Sampoerna Land and PT Wahana Sekar Agro are controlled by the Sampoerna family, who are substantial shareholders of the Company.

14. Statement by Directors pursuant to Rule 705(5) of the SGX Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Directors which may render the unaudited financial statements for the first quarter ended 31 March 2016 to be false or misleading in any material aspect.

15. Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Aris Sunarko @ Ko Tji Kim
Chief Executive Officer
4 May 2016